



Media Roundup Issue 65 (30/03/18 – 06/04/18)

1. China, Australia renew currency swap deal

30/03/2018

Xinhua

BEIJING, March 30 (Xinhua) -- The central banks of China and Australia have decided to renew a currency swap agreement, the People's Bank of China (PBOC) said Friday.

The agreement allows the PBOC and the Reserve Bank of Australia to swap 200 billion yuan (about 31.8 billion U.S. dollars) for 40 billion Australian dollars, according a statement released by the PBOC.

The agreement will be valid for three years and could be extended with the consent of both sides.

The statement said the agreement aims to facilitate bilateral trade and investment and promote the growth of both economies.

The two banks inked a 200-billion-yuan currency swap deal for an initial three-year period in March 2012, which was extended for another three years in 2015.

Read more: http://www.xinhuanet.com/english/2018-03/30/c_137077549.htm

2. Leninists with nukes pose new risks to global peace

31/03/2018

Peter Jennings

The Australian

No one really saw this coming but this year will be remembered as when Leninist autocracies returned to threaten global peace.

Vladimir Putin in Russia and Xi Jinping in China have consolidated their personal hold on power, turning what were already vicious and corrupt one-party states into countries led by the cult of a single personality.

Stoking populist nationalism for support, Putin and Xi are on a high-stakes gamble that rejects the international rule of law cherished by Western politicians and diplomats. They are out to reshape the global order by bluff, threat and the use of force if necessary, to build stronger international influence for Russia and China. If the gamble pays off, Putin and Xi could lead their countries for another decade or longer, essentially as personal fiefdoms where no view other than theirs can survive under the tight surveillance of repressive political systems.

Read more (Paywall): <https://www.theaustralian.com.au/news/inquirer/leninists-with-nukes-pose-new-risks-to-global-peace/news-story/0aa602be454243cd36af13ab450cda12>

3. China 'environment census' reveals 50% rise in pollution sources

31/03/2018

Lily Kuo

The Guardian

China's environment ministry has said the number of sources of pollution in the country has increased by more than half in less than a decade.

Releasing preliminary results of an ongoing "environmental census", China's ministry of ecology and environment said the number of sources of pollution in the country stands at about 9m, compared to 5.9m in its first census, in 2010.

"The objectives and scope of the second census is different from those of the first one," said Hong Yaxiong, head of the pollution survey at the ministry, Thursday. "But overall, there are more pollution sources."

Read more: <https://www.theguardian.com/world/2018/mar/31/china-environment-census-reveals-50-rise-in-pollution-sources>

4. China hits back at US with new trade tariffs

02/04/2018

Charles Hutzler

The Australian

China has imposed tariffs on a range of US goods, following through on a

promise to retaliate against the Trump administration's penalties on imports of Chinese steel and aluminium.

The Chinese Finance Ministry said in a statement that the previously announced tariffs on the imports of American goods would take effect today.

Penalties range from 25 per cent on American pork and eight other kinds of goods to 15 per cent on fruit and 120 types of commodities, the ministry said. The Finance Ministry renewed China's criticisms of the Trump administration's 25 per cent tariffs on steel and 10 per cent tariffs on aluminium under Section 232 of the Trade Act as violating global trading rules.

Read more (Paywall): <https://www.theaustralian.com.au/business/news/china-hits-back-at-us-with-new-trade-tariffs/news-story/21c5dc2b7f512b63003c6c784bb4893a>

5. Xi Jinping's changes mean its time for Australian banks to reassess

02/04/2018

**Jeremy Stevens (Program Director, China Matters)
The Australian**

Xi Jinping's increase in personal power has garnered much recent media attention. However, Australians, and Australian financial institutions in particular, should pay attention to another development coming out of the recent National People's Congress: Xi appears intent on reforming China's banking and finance sector.

His appointment of a trio of trusted allies and noted reformers to key positions of power in economic and financial policymaking sends a clear signal: this is not the time for Australian banks to reduce their focus on China. Quite the opposite. Now is the time to be brave, act strategically and invest in a market where demand for sophisticated financial services will increase together with the growth in the middle class.

Read more (Paywall): <https://www.theaustralian.com.au/business/opinion/xi-jinpings-changes-mean-its-time-for-australian-banks-to-reassess/news-story/69027656819cb6af9d6178b5cc2bd68c>

6. A deepening dictatorship promises a grim future for China

02/04/2018

Kevin Carrico

East Asia Forum

Few had the foresight to predict how bad the political situation in China would be in 2018. The removal of the last effective checks on Supreme Leader Xi Jinping's power last month, while likely politically disastrous for China, serves as an important reminder about the nature of the Chinese Party-state: it is, fundamentally, a dictatorship.

Revealingly, the Chinese government has never had any problem declaring itself a dictatorship, as stated in the first paragraph of its Constitution. But for international observers, to call the Chinese state a dictatorship appears to lack 'nuance'. To recognise the Party-state as a dictatorship is to simply affirm the 'narratives' of the 'Western media' and thereby runs the risk of making the academic 'China watcher' obsolete.

Instead, an extensive and at times informative albeit far too optimistic academic literature has evolved in recent decades examining the rise of collective leadership in the Politburo, the expansion of consultation in lawmaking and the gradual approach toward the smooth transfer of power between generations of Chinese rulers. There was even great optimism that rights lawyers could work within this system to make the Party obey its own laws.

Read more: <http://www.eastasiaforum.org/2018/04/02/a-deepening-dictatorship-promises-a-grim-future-for-china/>

7. Top EU diplomat weighs in on South China Sea dispute

02/04/2018

Andrew Tillett

Australian Financial Review

The European Union has echoed concerns over [rising tensions in the South China Sea](#), with a top diplomat warning any economic shockwave from a dispute would be felt beyond the immediate region and have a global impact.

During a visit to Australia last week, the EU's head of security policy Francois Rivasseau told The Australian Financial Review the possibility of European navies conducting [freedom of navigation patrols in the South China Sea](#) could not be ruled out in the future.

"The South Asia area is very important to Europe from an economic perspective. Fifty per cent of our trade goes through this area," he said. "We are interested in stability in this area."

Read more (Paywall): <http://www.afr.com/news/top-eu-diplomat-weighs-in-on-south-china-sea-dispute-20180326-h0xzz5Blqb6mbX>

8. Understanding the Challenge from China

03/04/2018

Paul Heer

The Asan Forum

The Trump administration's National Security Strategy (NSS) characterizes China as a "revisionist power" that is "attempting to erode American security and prosperity" and "shape a world antithetical to US values and interests." The accompanying National Defense Strategy (NDS) adds that Beijing seeks "veto authority over other nations' economic, diplomatic, and security decisions" and is modernizing its military in pursuit of "Indo-Pacific regional hegemony in the near-term and displacement of the United States to achieve global preeminence in the future." It is true that China represents an unprecedented strategic challenge to the United States and its allies, especially within East Asia. But these documents reflect a stereotype of Beijing and little effort to understand what actually motivates Chinese behavior. Moreover, preoccupation with China as a traditional, Cold War-style ideological or security threat is hindering both an accurate recognition of the nature of the China challenge, and the development of a thoughtful strategic response to it that effectively serves US and allied interests. By misidentifying what China is fundamentally about, the NSS and NDS risk leading Washington down a path that is misguided, prohibitively expensive, and counterproductive.

Read more: <http://www.theasanforum.org/understanding-the-challenge-from-china/>

9. Caught in the trade war

04/04/2018

Glenda Korporaal
The Australian

They say no one wins from trade wars but looking at the US-China tit-for-tat tariffs spat there may be some benefits for Australia.

China this week announced it would impose tariffs on 128 US products in retaliation for the recent US imposition of tariffs on steel and aluminium imports.

Some of the US sectors that will be hit by the China tariffs are areas in which Australia sells to China and would like to sell a lot more.

China is increasing the rate of tariffs on imports of US pork by 25 per cent. It will also impose a new 15 per cent tariff on 120 other products from the US including wine, almonds, apples and berries.

The tariffs are estimated to affect US goods with an import value of about \$US3 billion in 2017.

Read more (Paywall):

<https://www.theaustralian.com.au/business/opinion/caught-in-the-trade-war/news-story/b076560ee477ef22ace4349050f4ccea>

10. Australia scapegoating China for our own waste woes

04/03/2018

Louisa Bochner (Event Coordinator, China Matters)
The Sydney Morning Herald

Australia has found itself unprepared and floundering in a waste crisis - but China isn't to blame.

Australia has the privilege of pristine beaches, blue skies, and drinkable tap water. We take pride in our natural environment: it is a core component of our national identity.

Until recently, one way we maintained this identity was shipping 619, 000 tonnes of rubbish annually to the People's Republic of China, where it was processed. The PRC has a history of developing sophisticated recycling technology, and benefiting financially from it.

Read more: <https://www.smh.com.au/national/nsw/australia-scapegoating-china-for-our-own-waste-woes-20180403-p4z7it.html>

11. Defence Department scientist had separate role with China-linked firm

04/04/2018

**Alex Joske, Nick McKenzie, Richard Baker & Angus Grigg
The Sydney Morning Herald**

The Defence Department is reviewing business dealings between one of its senior scientists and the Chinese government's missile development agency amid ongoing concerns about Beijing's effort to recruit western scientists and officials.

In a separate development, Fairfax Media can also reveal that Australia's peak scientific research agency, the CSIRO, spent tens of millions of dollars upgrading its cyber-security and information systems after a data breach linked to an employee who was a Chinese national. The man disappeared after the apparent breach in November 2013.

The Defence Department senior scientist, who has a security clearance that gives him access to classified information, was in early 2016 appointed director of a small NSW firm which specialises in non-military uses of big data analytics.

Read more: <https://www.smh.com.au/politics/federal/defence-department-scientist-had-separate-role-with-china-linked-firm-20180323-p4z5xb.html>

12. Austrade visit to China revealed export potential for Australian farmers

04/02/2018

**Greg Clarke
The Weekly Times**

In an Austrade office in Shanghai, Australian Trade Commissioner Brent Moore is sharing information about export opportunities in China with a collection of small farmers and producers from southwest Victoria.

Reports of China inevitably include the words “growth” and “opportunity” but Moore makes many of us take notice when he gives China’s continuing economic rise a regional Australia context.

“In China, improvements in living conditions of smaller cities will be a major driver of growth,” he says. “There are cities that within a generation will experience growth that is the equivalent of Ararat becoming the size of Melbourne.”

I ask how many Ararats will be transformed and the answer is near impossible to comprehend: “Possibly hundreds,” I am told.

Read more: <https://www.weeklytimesnow.com.au/agribusiness/farm-magazine/austrade-visit-to-china-revealed-export-potential-for-australian-farmers/news-story/49c66b7c682cefd652cef63f971b17bc>

13. Man Booker prize reverses nationality decision on Taiwanese author

04/04/2018

Alison Flood & Lily Kuo

The Guardian

The [Man Booker International prize](#) has backed away from its decision to change a Taiwanese author’s nationality to “Taiwan, China” after it was criticised for bowing to pressure from Beijing.

Author Wu Ming-Yi, who has been longlisted for his novel *The Stolen Bicycle*, was originally described by award organisers as a writer from [Taiwan](#), when his nomination was announced in March. Following a complaint from the Chinese embassy in London last week, his nationality was changed on the prize’s website to “Taiwan, China”.

Beijing maintains that the self-governed island is part of [China](#), and has recently ramped up pressure on foreign companies that describe Taiwan as a country,

with German airline Lufthansa and British Airways dropping Taiwan from their lists of countries.

Read more: <https://www.theguardian.com/books/2018/apr/04/man-booker-prize-reverses-nationality-decision-taiwanese-author-wu-ming-yi-the-stolen-bicycle-china>

14. It's not about trade: Trump's power struggle with China may end in war

05/04/2018

Ambrose Evans-Pritchard

The Sydney Morning Herald

Donald Trump's declaration of tariff warfare against China has little to do with trade. It is about raw power, a struggle over which of the two sparring hegemons will dominate technology and run the world in the 21st century.

The pretence of cordial coexistence has all but ended in the Hobbesian era of Trumpism. The latest US national security strategy report for the first time names China as a strategic rival that seeks to "challenge American power, influence and interests, attempting to erode American security and prosperity". It is the poisonous-diplomatic context that makes this week's trade skirmish so dangerous.

The Trump administration has justified its trade assault by dusting down Cold War laws and invoking US national security, accusing China of systematic economic theft. It specifically targeted the 10 sectors named in the Communist Party's "Made in China 2025" report, Beijing's blueprint for industrial domination under a command economy.

Read more: <https://www.smh.com.au/business/the-economy/it-s-not-about-trade-trump-s-power-struggle-with-china-may-end-in-war-20180405-p4z7u7.html>

15. US-China tariff war timing is uncertain

05/04/2018

**John Kehoe & Michael Smith
Australian Financial Review**

[Threats by both the United States and China to impose 25 per cent tariffs](#) on \$US50 billion of goods each has fuelled financial market volatility as investors guess if the world's two largest economies are entering a trade war or simply posturing amid a high-stakes brinksmanship.

The proposed tariffs are not guaranteed to be implemented in the next few months as private US-China discussions continue, though tensions could escalate in mid-May when [the US Treasury is due to recommend new rules to block Chinese takeovers](#) of America's advanced-technology assets.

[China retaliated to a planned 1300 US tariffs late on Wednesday](#) by threatening import duties on an additional 106 American exports, including soybeans, Boeing aeroplanes, chemicals and cars produced in politically-sensitive agricultural and industrial regions which supported US President Donald Trump at the 2016 election.

Read more (Paywall): <http://www.afr.com/news/world/north-america/uschina-tariff-war-timing-is-uncertain-20180404-h0yci9#ixzz5BlpKAe6t>

16. China's not a threat: Australia's investment limits are shortsighted

05/04/2018

**Daniel Moss
Sydney Morning Herald**

From all the hysteria around foreign investment, you might think Australia is at risk of invasion -- by Chinese cash.

China's economy certainly is increasingly influential, but the regulatory backlash from the government has all the makings of a self-inflicted wound.

Australia has announced limitations on foreign purchases of power utilities and land. In case anyone missed the message, the [man who led the nation's top spy](#)

[agencies](#) was appointed head of the Foreign Investment Review Board last year. (He's also a former ambassador to Beijing.)

Read more: <https://www.smh.com.au/business/the-economy/china-s-not-a-threat-australia-s-investment-limits-are-shortsighted-20180405-p4z7u5.html>

17. Australia could be a winner in China-US trade

05/04/2018

Emma Reynolds

News.com.au

THE United States and China are duelling it out over trade as the world's two biggest economies slap spiralling retaliatory tariffs on each other's goods.

And many suspect Australia could benefit from the move, stepping in to provide affordable products including wine, fruit and nuts.

China on Monday announced up to 25 per cent tariffs 128 American agriculture products in response to Donald Trump's tariffs on the nation's steel and aluminium imports to the US, which he blamed on the Beijing's subsidies and overcapacity.

The White House then announced a retaliatory 25 per cent tariff on 1300 Chinese products including flat-screen televisions, medical devices, aircraft parts and batteries.

Read more: <http://www.news.com.au/finance/economy/world-economy/australia-could-be-a-winner-in-chinaus-trade-battle/news-story/86b8909a7e1fb86fb2ddc54d85b06532>

18. Student says Australia needs new laws on China interference

06/04/2018

Richard Wood

Nine News

The planned shake-up of foreign interference laws have been welcomed by an Australian student who says he has been the target of Chinese government intimidation.



Tony Chang, who studies at a Queensland university, told nine.com.au Australian citizens and residents need the “protection” from Chinese Communist Party (CCP) interference.

Mr Chang, who was born in north-eastern China, realised he was under CCP monitoring in 2015 shortly after he gained an Australian student visa.

Read more: <https://www.9news.com.au/national/2018/04/06/10/02/student-speaks-out-on-china-interference-in-australia>